

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 14, 2008

Bill Number: S. B. 971

Author: McConnell

Committee Requesting Impact: Senate Transportation

Bill Summary

A bill to amend Chapter 3, Title 56, Code of Laws of South Carolina, 1976, by adding Article 101 so as to provide that the Department of Motor Vehicles (DMV) may issue Veterans' license plates for individuals who served in the military and were honorably discharged.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$3,800, and also raise Motor Vehicle License revenues within the state General Fund by \$8,200 in FY 2008-09.

Explanation

This bill authorizes DMV to issue "Veteran" special license plates for applicable vehicles registered to those veterans with verifiable service in U. S. Armed Forces or the National Guard, to include the Reserves of respective branches. An applicant must also include military documentation of an honorary discharge from service. Since the bill sets no fee, the standard \$30 fee for a special plate would apply to each plate and is in addition to the regular (\$24/auto or \$30/truck) biennial registration fee. A minimum of 400 paid applications for the plate or a deposit of \$4,000 and a marketing plan approved by DMV is required for production. Special fee proceeds, net of production costs retained by DMV under Article 82, go to the state General Fund under Article 19.

Based on required minimum sales of 400 tags in the initial year, at \$30 each, we expect a gross yield of \$12,000 in special fees in FY 2008-09. Of this amount, DMV would receive \$3,800 for production costs, based on an estimate of \$9.50 per plate. The balance of \$8,200 would go to Motor Vehicle Licenses within the state General Fund.

Analyst: Di Biase

/s/ William C. Gillespie

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^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).